INFORMATION LETTER

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Marketing Charges Account for 66% of Total Food Bill

The bill for marketing farm-produced food products sold to civilian consumers in 1959 totaled $39 billion, 5 percent more than in 1958, according to a report by the Agricultural Marketing Service of USDA in *The Marketing and Transportation Situation.*

This marketing bill has risen to a new high each year since 1938, except in 1950. Since 1950 it has risen at an average rate of 5.5 percent a year, and it was 62 percent higher in 1959 than in 1950.

Most of the increase last year resulted from an increase in the volume of food products marketed, USDA said. Unit marketing charges were about 1 percent higher in 1959 than in 1958.

The total farm value of domestic farm food products was 5 percent lower in 1959 than in 1958. The decrease was the first since 1955. A drop in prices received by farmers from 1958 to 1959 more than offset the increase in volume.

Civilian expenditures for farm food products in 1959 amounted to $58.7 billion, 1 percent more than the year before. Retail food store prices were lower in 1959 than in 1958, but this decline was more than offset by the increase in the volume of purchases. Also, a rise in prices of restaurant meals and other food eaten away from home gave a further boost to the total civilian expenditures for food.

Marketing charges amounted to 66 percent of civilian expenditures for farm foods last year, according to USDA. This is the largest marketing share of civilian food expenditures since 1933. In 1950 the marketing share was 58 percent.

Two principal components of the farm marketing bill were cited by USDA as direct labor and transportation costs.

The direct cost of labor in marketing farm foods sold to civilian consumers in 1959 amounted to $18.5 billion, accounting for 47 percent of the total marketing bill, about the same as in other years since 1950. Average hourly earnings of workers engaged in marketing farm food products rose 3 percent last year, but labor costs per unit of product marketed remained about the same. Average hourly earnings have risen more than 50 percent since 1950, but unit labor costs have gone up only 25 percent, USDA said.

Intercity transportation charges were about the same in 1959 as in 1958, accounting for about 10 percent of the total marketing bill last year.

Profits that corporations derived from marketing farm foods (not including profits of transportation companies) accounted for about 6 percent of the marketing bill in 1959, about the same proportion as in the preceding year, according to USDA.

The $0.2 billion increase from 1958 to 1959 pushed profits to a new high. From 1950 to 1959 profits rose about 38 percent, compared with a 63 percent increase in the marketing bill. More than half of the profits of food marketing corporations went for taxes on income in 1959. Profits per unit of product marketed also were higher in 1959 than in 1958, but unit profits have fluctuated more from year to year than have hourly earnings and unit labor costs.

Other costs and noncorporate profits, the residual component of the marketing bill, increased 8 percent last year. Besides profits of unincorporated marketing firms, the residual component includes the costs of fuel, electric power, containers, depreciation, transportation other than rail and truck, rents, interest on borrowed capital, taxes other than those on income, and many other costs. These other costs and noncorporate profits accounted for 37 percent of the total marketing bill in 1959 compared with 33 percent in 1950.

FDA To Have New Headquarters Building in Washington

A new headquarters building for the FDA is to be constructed in Washington. Thus will be realized one of the recommendations of the Citizens Advisory Committee on the Food and Drug Administration in 1955: "The Food and Drug Administration needs a modern building to consolidate its headquarters organization and facilities under the most effective operating conditions."

The necessary authorizations and appropriations for construction were cleared by Congress at its last session. Plans are being drawn and, according to the present schedule, construction bids will be invited later this year. The FDA expects to occupy its new building, which is intended exclusively for the FDA, in 1963.

The FDA building will be a six-story structure of contemporary design, with modern laboratory facilities and space for 1,100 employees. Construction costs are estimated at $15,105,000, and the total cost, including equipment, is estimated at $23,840,000.

The FDA headquarters staff now has 780 employees whose desks and laboratory facilities are located in six different buildings in Washington. The 18 FDA district offices are staffed by an additional 1,180 employees.

The new headquarters building will be erected on a block adjacent to the building in which FDA headquarters are presently located.

Congress also has appropriated $150,000 to the FDA for plans and specifications for a new $2 million pharmacological-animal laboratory building, in which dog feeding tests will include toxicity studies on foods, food additives, and colors.

USDA Inspection Fees

Fees for USDA inspection of fruits and vegetables will be increased August 15.

The basic change in fees for inspection of processed fruits and vegetables is an increase in the hourly rate for inspection from $5 to $5.50. Fees for lot inspections and for special analyses are not being changed at this time.

Fees for inspection of fresh fruits and vegetables will be increased from $4.50 to $5 hourly. The carlot fee for quality and condition inspection

will be increased from $12 to $15, the fee for condition only from $10 to $12, and the fee for portions of a car will be increased correspondingly.

USDA said that the increases in inspection charges are necessary because of increased costs.

The hourly rate for inspection of poultry, applicable to overtime, was reduced June 1 from $5.40 to $5.

N.C.A. Participates in Fair

N.C.A. is participating in the "Better Living" exhibits at the Palmyra-Wayne County Fair in New York State August 9-13, where a major exhibit will be devoted to a salute to canning and the 150th anniversaries of canning and can making.

N.C.A.'s sound color film "The Three Squares" will be shown at regular intervals. Also on display will be the collection of 40 antique cans from the Can Manufacturers Institute.

Publicity about the salute, arranged under the Consumer and Trade Relations Program, appeared in the July 28 issue of the Palmyra *Courier-Journal*. Rochester's radio station WHAM has scheduled three programs saluting the canning industry sesquicentennial.

Parade

In *Parade* magazine on July 31, food editor Beth Merriman's feature article was entitled "Chicken roll from the cupboard." The recipe included canned chicken gravy and boned chicken.

Miss Merriman said, "Keep the ingredients on your cupboard shelf and be ready to serve a delectable dinner when guests arrive unexpectedly. You'll need canned chicken gravy (new, and so rich and good), canned boned chicken, instant minced onion and biscuit mix to make the Chicken Roll. Plan the rest of the menu from items on the pantry shelf, too. You might start with hot bouillon garnished with garlic croutons. With the Chicken Roll serve canned stewed tomatoes and canned lima beans with sliced mushrooms. Add a crisp tossed salad, if you like, and brown 'n serve rolls. For dessert, you might have ice cream with canned chocolate sauce and packaged shortbread cookies."

Parade is a Sunday magazine section in 65 metropolitan newspapers with a combined circulation of over 9⅛ million.

Good Housekeeping

"Spicy Fruit Medley" featuring canned whole apricots, cling peaches, pears, and pineapple spears is one of the dramatic recipes photographed in color in the August issue of *Good Housekeeping* in a special section called "Good Housekeeping's Cool Salad Spectaculars."

Other canned foods mentioned in the salad section are catchup, ripe olives, peas, green beans, king crab meat, lemon juice, pimientos, apricot nectar, pineapple chunks, spiced grapes, luncheon meat, and mandarin orange sections.

In the same issue, an article called "Hot Weather Wife Savers," a dinner diary for two, offers recipes which include canned sauerkraut, cream style corn, pork and beans in tomato sauce, chicken a la king, and cream of chicken soup.

Everywoman's Family Circle

"Discover the magic of Water Chestnuts" is an article in the August issue of *Everywoman's Family Circle* magazine. Recipes are given using water chestnuts in appetizers, main dishes, vegetables, salads and even in hot rolls.

The recipes are introduced: "It's amazing how these crisp little balls can give an everyday dish an unbeatable newness and start the family guessing about what's been added. It's a Chinese bulb—sold in cans in your supermarket—has the freshest taste imaginable. The sky's the limit on ways to use water chestnuts. They're crunchy even when cooked, and they'll keep in the refrigerator."

The ten recipes given are illustrated with interesting color photographs. In addition to water chestnuts, canned shrimp, beef broth, apple juice, and mushrooms are included in the recipes.

Raw Products Research

Tomato Projects Subcommittee of the Raw Products Research Committee

The Tomato Projects Subcommittee commissioned to discuss broad problems confronting the tomato canning industry held its first meeting in April, 1958. This year the subcommittee has as its members Max D. Reeder, H. J. Heinz Company, Chairman, Von E. Jones, Greenville Canning Company, Inc., L. E. Mayer, Stokley-Van Camp, Inc., Willis C. Moore, H. J. Heinz Company, S. G. Younkin, Campbell Soup Company, and O. C. Zoebisch, Libby, McNeill & Libby.

Since its appointment this subcommittee has worked actively, particularly in the East and Midwest, to call the attention of experiment station directors and staff to the importance of increased research on tomato production problems. The need for the development of new high-yielding, crack- and disease-resistant varieties better adapted to the local environment, as well as the need for a better understanding among growers of fertilizer and general cultural practices in the production of tomatoes for canning use, have been emphasized. More recently this subcommittee has encouraged research bearing on the development of varieties adapted to mechanical harvesting and handling.

The subcommittee has also worked closely with researchers in the Agricultural Marketing Service of the USDA in their program to develop an improved procedure for evaluating the quality of raw tomatoes through the use of a tomato colorimeter and estimations of trimmable and defect waste.

The Tomato Projects Subcommittee has recently taken the lead in working closely with experiment station workers in the development of machines for the mechanization of tomato harvesting and handling. This year they will continue to follow closely the work at the various experiment stations engaged in this field and will view experimental commercial harvesters under development by several equipment manufacturers.

This subcommittee has cooperated in fostering the interest of the Tomato Breeders Round Table and has participated actively in the programs of this group. The fourth meeting of this informal organization of tomato breeders was held in Cleveland in March of this year, and plans are now being made for a meeting next year in Chicago.

The Tomato Projects Subcommittee has been active in calling the attention of research workers in experiment stations and the USDA to the bacterial spot problem in tomato production. Other important regional or national problems bearing on tomato production will gain the support and interest of this subcommittee as they may arise.

1960 Acreage of Sweet Corn for Canning

The planted acreage of sweet corn for canning in 1960 totals 347,164 acres, 8 percent less than the 1959 plantings of 378,076 acres, according to a report by the N.C.A. Division of Statistics.

The figures are for plantings of both white and golden varieties as reported during July by all canners known to be packing corn in 1960, except for one canner for whom an estimate was made. The report covers only sweet corn for canning and does not include acreage planted for freezing or other forms of processing.

The preliminary estimate by the USDA Crop Reporting Board of the planted acreage of sweet corn for canning and other processing, except freezing, is 360,590 acres (see INFORMATION LETTER of July 2, page 208).

State	Planted Acreage White and Golden 1959 (acres)	1960 (acres)	Percent change from 1959
East:			
Maine, Vt., and N. H.	3,834	4,642	+21
New York	13,626	11,427	−16
Md. and Del.	30,320	26,688	−12
Pennsylvania	7,307	6,163	−16
Midwest:			
Wisconsin	112,190	100,189	−11
Minnesota	80,330	74,413	− 7
Iowa and Nebraska	9,608	5,432	−43
Ohio	6,049	5,053	−16
Illinois	61,401	62,956	+ 3
Indiana	18,479	(a)	−30
Other Midwest states[b]	6,277	17,432	
Western states[c]	28,655	32,769	+14
U. S. Total	378,076	347,164	− 8

(a) Included in Other Midwest states. [b] Ark., Mich., Okla., Tenn., and Texas. [c] Colo., Idaho, Mont., Ore., Utah, Wash., and Wyo.

The total acreage of white varieties for canning was reported by the N.C.A. Division of Statistics at 30,853 acres, of which 24,113 acres were planted in the Midwest states and 6,740 acres in the East and Midwest. The total of 30,853 acres compares with 35,815 acres of white varieties planted in 1959.

Farm Labor Recruitment

The Labor Department has postponed from August 8 to August 22 the public hearings on proposals by California farm employers to modify public employment service regulations governing the referral of agricultural workers in labor disputes (see INFORMATION LETTER of July 30, page 233).

Films about the Canning Industry

The Information Division has begun work on the 1960 revision of the film book, *Films about the Canning Industry*. Forms requesting data for listing in the catalog were mailed to firms that are known to have canning industry films and desire to have them listed. An August 16 deadline has been set.

It is urged that other N.C.A. members who would care to have their films included advise the Association immediately and the required forms will be supplied promptly. Please address requests to Information Division, N.C.A., 1133 20th St., N. W., Washington 6, D. C.

Wholesale Distributor Stocks of Canned Foods on July 1

(Bureau of the Census, U.S. Department of Commerce)

	July 1 1959	June 1 1960	July 1 1960
	(thousands of actual cases)		
Vegetables:			
Beans, green and wax	2,744	2,714	2,608
Beans, lima	471	n.a.	451
Beets	1,213	n.a.	1,075
Carrots	390	n.a.	431
Corn	3,347	3,592	3,511
Pumpkin and squash	343	n.a.	315
Sauerkraut	564	587	548
Tomatoes	2,819	n.a.	2,564
Catsup, chili sauce	2,024	n.a.	1,950
Tomato paste	490	n.a.	535
Tomato puree (pulp)	439	n.a.	443
Tomato sauce	607	n.a.	692
Fruits:			
Apples	397	391	388
Applesauce	1,222	1,248	1,272
Cherries, RSP	296	395	405
Grapefruit segments	403	379	392
Pineapple	1,863	1,899	2,013
Juices:			
Citrus blends	465	429	446
Grapefruit	907	862	813
Orange	1,058	1,085	1,058
Pineapple	1,253	1,048	1,114
Tomato	2,386	n.a.	1,998
Fish:			
Maine sardines	176	197	172

n.a.—not available.

Minimum Wage in Puerto Rico

Notice is given in the *Federal Register* of July 29 that the Secretary of Labor has appointed an industry committee to investigate conditions and recommend minimum wage rates for the food industry in Puerto Rico. The committee, No. 49-A, is to meet in San Juan August 15.

Grades for Canned Grapes

The Agricultural Marketing Service of USDA has issued U. S. standards for grades of canned grapes. The standards cover only the light seedless type such as Thompson seedless.

The grades for this product will be Grade A and Grade B. Factors of quality include similar varietal characteristics, normal flavor, varying degrees of color and character, uniformity of size, and freedom from defects.

The standards incorporate certain basic provisions relating to product ingredients, including packing media, so as to conform with standards recently published by the FDA.

The U. S. standards for grades of canned grapes were published in the *Federal Register* of August 6 and will be effective September 6.

Canned RTP Cherries for USDA

USDA announced August 4 the purchase of 179,200 cases of canned red tart pitted cherries in No. 10 cans with funds appropriated under the National School Lunch Act.

Purchases comprised 155,600 cases in Michigan at net prices ranging from $5.58 to $5.70; 15,000 cases in Pennsylvania at $5.75 and $5.88; 7,250 cases in Utah at $5.75; and 1,350 cases in Oregon at $6.17. Estimated transportation costs and discounts for prompt payment were taken into consideration in making the awards, USDA said.

Delivery will be required during the period August 29 to October 1.

Poultry Used in Processing

(Agricultural Marketing Service of USDA)

	Jan.-June cumulative 1959	1960
	(thousands of pounds)	
Young chickens	22,836	35,988
Mature chickens	74,534	93,551
Turkeys	33,482	36,233
Other poultry	45	98
Total, Jan.-June	130,897	165,870

USDA Sugar Quotas for 1960

USDA has announced a second increase of 400,000 tons in its estimate of total sugar requirements for 1960. With this increase, the domestic sugar quota is raised to 10.4 million tons.

Status of Legislation

The Senate will reconvene Monday, August 8, and the House on August 15. All legislation remains in its status as of the adjournment last July 3. Following is the status of legislation of particular concern to the canning industry:

Antitrust enforcement—S. 11 and H. R. 11, to strengthen the Robinson-Patman Act with respect to alleged price discrimination, are pending before the Senate and House Judiciary Committees, respectively. (N. C. A. has registered its opposition.) S. 716, to authorize the Justice Department to compel the production of documents in civil antitrust cases, was passed by the Senate last year and is pending before the House Antitrust Subcommittee.

Cease-and-desist orders—H.R. 8841, to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices awaiting the outcome of FTC proceedings, is pending before the House Interstate and Foreign Commerce Committee.

Co-op bargaining—H.R. 1793, to authorize cooperative associations of producers to bargain with purchasers singly or in groups, is pending before the House Judiciary Committee.

Co-op marketing—S. 2014, to authorize associations of agricultural producers to own and operate marketing facilities, is pending before the Senate Agriculture Committee.

Farm labor—H.R. 12759 (Sisk), to extend the Mexican farm labor program for two years, was passed by the House on June 29 and referred to the Senate Agriculture Committee on June 30.

FDA factory inspection—S. 3815 (Hill), to enlarge the factory inspection authority of the FDA, was introduced July 2 and referred to the Senate Committee on Labor and Public Welfare. H.R. 12949 (Harris), an identical bill, was referred to House Committee on Interstate and Foreign Commerce.

Federal preemption—H.R. 3, to establish rules of interpretation concerning the effect of an Act of Congress on state laws, was passed by the House last year and is pending before the Senate Internal Security Subcommittee which conducted hearings last year on a similar bill, S. 3. (N.C.A. has requested that federal food regulatory laws be excluded from the scope of these bills.)

Marketing orders—The following bills are pending in the House and Senate agriculture committees: H.R. 1070 (Ullman), field and seed crops; H.R. 9693 (May), fruits; H.R. 10555 (Horan), fruits; S. 3207 (Williams of Del.), block voting; S. 3233 (Jackson-Magnuson), fruits; S. 3318 (Morse), berries.

Migrant labor—The Senate Subcommittee on Migratory Labor, on June 24, approved a committee print embodying amended versions of S. 1778 and S. 2498, bills to require federal licensing of crew leaders. S. 1085 (minimum wage) and S. 2141 (child labor) are pending before the subcommittee. The Senate Subcommittee on Education, on June 24, approved S. 2864 and S. 2865, with amendments, to provide funds for the education of migrant farm workers and their children. Similar migrant education bills are pending before two subcommittees of the House Committee on Education and Labor.

Poultry marketing—S. 2516 and similar bills to promote orderly marketing are pending before a Senate Agriculture Subcommittee which held hearings Feb. 25-26.

Pre-merger notification—H.R. 9896 and S. 442, to amend the Clayton Act to provide for prior notification and suspension of certain mergers and acquisitions, are pending before the House Judiciary Committee. H.R. 2325 is pending before the House Antitrust Subcommittee.

Price-increase hearings—H.R. 6263, to authorize the Government to hold public hearings on price or wage increases, prospective or actual, which appear to threaten national economic stability, has been reported by the House Government Operations Committee. S. 2382, with amendments, was approved on June 29 by a subcommittee of the Senate Banking and Currency Committee. The House Rules Committee held a hearing on H.R. 6263 on April 26 but took no final action.

Price-increase notification—S. 215, to require certain corporations to file advance notice of proposed price increases, is pending before the Senate Antitrust and Monopoly Subcommittee. (N.C.A. has filed a statement opposing S. 215.) H.R. 4934 is pending before the House Judiciary Committee.

Wage-hour—S. 3758 (Kennedy), reported to the Senate on June 27, would reduce fruit and vegetable canners' overtime exemptions from 28 to 20 weeks. H.R. 12677 (Roosevelt) was passed by the House, with amendments, on June 30. Neither bill would affect fish canners' unlimited exemption from overtime.

MSSA Requirements for Tomato Juice, Catsup

Tentative requirements for canned tomato juice and tomato catsup from the 1960 crop to meet the needs of the armed services have been announced by the Military Subsistence Supply Agency. Procurement will be made by Headquarters, Oakland Region, MSSA, 2155 Webster St., Alameda, Calif.

	Grade	Type	Can Size	Quantity (pounds)	Quantity (cases)
Tomato juice	A	.....	12/No. 3 cyl	29,861,000	815,874
Tomato catsup	A	I or II	6/10	12,388,000	287,238
			24/14 oz. bottle	9,523,000	453,476

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